

Export-Import Bank of the United States Washington, D.C.

Borrowers Fact Sheet

Transportation Freight Finance Program

As a transportation logistics company you can now offer better terms to your customers, and be assured that your invoices for the international transport of cargo can be financed at competitive interest rates. Ex-Im Bank's working capital financing enables U.S. based transportation logistic providers to obtain working capital loans that facilitate the export of commercial cargo.

These working capital loans, made by commercial lenders and backed by our guarantee, provide you with the liquidity to accept new export-related business and compete more effectively in the international marketplace. You may be able to borrow substantially more funds

and obtain better credit terms when the commercial cargo is shipped on a U.S.-Flag Vessel. The program is also available for services related to shipment on non-U.S.-Flag Vessels and other forms of overseas transport.



Photo: Coast Guard

Benefits

- Fulfill export sales orders.
- Turn domestic and foreign accounts receivable due and payable from exporters of cargo into cash.
- Expand access to financing.

Eligible Borrowers

- Borrowers must be located in the United States and be in the international freight logistics business. Eligible borrowers include: Shippers, freight forwarders, logistics providers and ocean-air-rail-truck carriers.
- Borrowers must have at least a one-year operating history, and have a positive net worth.

Services That Can Be Financed

The following services are eligible for financing under the Transportation Freight Finance Program:

All services directly related to the logistic involved in the export of commercial cargo such as: Ocean, air, rail and truck freight, cargo and marine Insurance, crating and packing, port drayage, terminal fees, and forwarder and broker fees.

All services must be invoiced by the Borrower and generally must be due and payable in the United States.

Military, Nuclear, or U.S. Government impelled cargo are not eligible under this program.

Borrowing Availability and Loan Term

As illustrated in the example on the next page, available funding will be based on an Advance Rate percentage of the value of eligible services invoiced and not yet paid. The Advance Rate is typically 90% of the Invoice depending on

the credit worthiness of your customers. A Loan Facility is generally open for a one-year term (renewable) and can be either transaction-specific or revolving.

Collateral

These guaranteed working capital loans are secured by the accounts receivable due and payable from the shippers of the cargo, and the proceeds generated from such accounts receivable. At times other collateral could also be required.

Core Required Documents

- Invoices for the eligible services and related documentation required under an asset-based lending program.
- Bills of Lading, on which the Borrower is indicated as the provider of the eligible services.

United States Content Requirements

- The aggregate value of all services appearing on an Invoice must have at least 50% U.S. Content for the whole invoice to qualify. If less than 50% U.S. Content, then Ex-Im Bank can only support up to the percent of the U.S. Content appearing on the Invoice.

U.S. Content includes the following:

- Freight costs performed in the United States.
- Cargo insurance and marine insurance charges issued by U.S. companies.
- All crating and packing done in the United States.
- Ocean freight charges on a U.S.-Flag Vessel.

The following example illustrates that significantly more funding may be available when shipment is on a U.S.-Flag Vessel in view of the U.S. Content requirements.

Services Covered in Invoice	Invoice Amount	Available funding when goods are shipped on a U.S. Flag Vessel - 90% Advance Rate.	Available funding when goods are shipped on a non-U.S. Flag Vessel - 90% Advance Rate.
Trucking in the USA	\$100,000	\$90,000	\$90,000
Insurance - U.S. Company	\$ 10,000	\$ 9,000	\$ 9,000
Ocean Freight	\$750,000	\$675,000	\$ 0
Third-Country Freight	\$ 10,000	\$ 9,000	\$ 0
Service provided in the USA	\$ 75,000	\$ 67,500	\$67,500
Total	\$945,000	\$850,500	\$166,500

How to Apply

An exporter generally applies by going through one of our [Delegated Authority Lenders](#). Our pre-qualified commercial lender partners, working under Ex-Im Bank's delegated authority, can expedite the loan process by committing our guarantee without prior Ex-Im Bank approval. No waiting, no red tape! To find a participating lender please contact one of our [Regional Offices](#).

Export-Import Bank of the U.S. / www.exim.gov

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